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SUBJECT: LOPSIDED BATTLE FOR FUTURE OF DURBAN'S WARWICK JUNCTION

REF: DURBAN 37

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11. (SBU) Summary: A multimillion dollar project to develop Durban's Warwick Junction is facing opposition from small traders who claim the mall will end their livelihoods. The decision by the City of Durban to demolish the historic Early Morning Market has led to numerous confrontations between the city and the market traders. Anti-Indian sentiments expressed by ANC politicians during a public forum stand in stark contrast to the ANC's multi-racial credo. End summary.

#### Background/History

12. (U) The Warwick Junction is located on the fringe of Durban's central business district (CBD). It was designed as a railway transport node at the turn of the 20th century and also functioned as a buffer between white people who worked in the CBD and black commuters who used the trains. As early as 1890, Indians began trading fresh produce in the area, and in 1910 the Early Morning Market (EMM) was built as a permanent marketplace. The junction has grown in use over the years, and over 400,000 commuters pass through the area every day. There are now over 600 traders who operate at the EMM. In the early 1990s, black vendors began trading informally outside the market. It is estimated that over R1 billion (\$122 million) in cash exchange hands every year in the EMM area - most of it untaxed. Although Warwick Junction remains a vital transport and trading hub, it is has become crime ridden, treacherous for pedestrians, and run-down.

#### Durban Has Ambitious Development Plans

13. (U) The eThekweni Municipality (of which Durban is a part) has decided to raze the Early Morning Market as part of the Warwick Junction Development (WJD) plan. According to remarks by Durban City Manager Mike Sutcliffe during a municipal presentation attended by Pol/Econ Assistant, the municipality and developers intend to invest R1.5 billion (\$186 million) into the area over the next two to three years. The proposed development, the first private sector endeavor in the area for many years, will bring together under one roof a regional mini-bus taxi rank (stand), banking centers, a post office, and retail stores. The WJD plan also aims to reduce crime in the Warwick area; create economic opportunities for both informal and formal trade; enhance the tourism potential of the area; and provide commuters with a safe, reliable, and efficient public transport infrastructure (Reftel).

14. (U) The City of Durban argues that the area is long overdue for development and that all stakeholders will benefit from the proposed changes. Also, developers claim that the feasibility

study they conducted indicates strong local support for improved shopping and transport services. Sutcliffe told local media that the 400,000 commuters who pass through the Warwick area every day are the city's main concern. 'Every single day there is at least one person who is killed or injured in road accidents in that area. We need to sort out how we arrange the trains, buses, and taxis to make it safer. We have always wanted to develop this area, but the funds were not available. Because of the upcoming World Cup, the national government has made the funds available for the development of roads.'

15. (U) Sutcliffe maintains that it is unfortunate that the EMM will have to be destroyed in order to make way for the new shopping mall, but that many traders will be accommodated in the new mall when it is complete. Street traders will be accommodated in the new development in a public square within the mall with better trading and lock-up facilities, said Sutcliffe to local media. During construction, the eThekweni Municipality plans to move traders to a location 300 meters away to continue trading.

#### Traders, Civil Society, and Academics Oppose the WJD

16. (U) Early Morning Market traders and their supporters from civil society (including the influential Legal Resource Center) argue that the WJD will end their livelihoods. They have vowed to do whatever it takes to oppose the destruction of the market. Chairperson of the Early Morning Market Traders Association (EMMAT) Harry Ramlal told a local radio station that about 5,000 people directly and indirectly employed through the EMM stand to lose their jobs if the market is demolished. Ramlal said many of the traders have worked in the market all their lives and have no other employment options. Prominent anti-apartheid activist Fatima Meer has accused the City of Durban of infringing on the rights of the poor by being 'short-sighted' and 'undemocratic' in its decision to demolish the 100-year-old market heritage site. Civil society groups in KZN including the

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Centre for Civil Society at the University of Natal and Centre for Public Participation have also spoken out against the destruction of the market and support the traders. Top KZN academics and almost 600 others have signed a petition opposing the destruction of the market.

17. (U) Amafa/Heritage KwaZulu-Natal, the province's heritage conservation agency, has promised to take legal action against the municipality should the historic market in Warwick be demolished. (Note: Amafa's council is appointed by the Premier of KZN and the quasi-public agency is funded through a grant from the premier's office.) In March, the eThekweni municipality applied to Amafa to demolish the EMM, but Amafa rejected the application. Amafa's Built Environment Head Ros Devereaux explained that the application was rejected because, although the WJD plan was in the pipeline for two years, Amafa only heard from the developers in March of 2009. Durban City Manager Sutcliffe has since questioned Amafa's jurisdiction in the matter, and the eThekweni Municipality has filed a court injunction to get the rejection overturned.

#### Clashes, Tough City Action, and Court Delays

18. (U) On May 26, protesters marched to city hall and presented to city representatives a memorandum demanding that the EMM not be destroyed. On May 30, EMMAT was granted permission by the City of Durban to hold a peaceful sleep-in at the EMM; but during the night, city police stormed in and forcefully removed everyone. On June 2, city officials announced that all EMM traders had to carry identification and trading permits in order to gain access to the market. On June 3, all traders were required to fill out affidavits detailing how and when they acquired their trading permits. The eThekweni Municipality then used this information to designate as illegal those traders who had obtained their permits through subleases or via family members. The municipality also implemented a strict one-stall, one-vendor policy that prevented vendors from sending in relief

persons when ill or needing a food or bathroom break.

¶9. (U) On June 12, Durban officials closed down the EMM despite a court interdict allowing legal traders to operate. Vendors and their supporters protested for three days outside the market. On June 15, police opened fire on the demonstrators, and nine traders were injured by rubber bullets. On June 17, a court order allowed only 260 'legal' vendors to resume trading in the EMM, but 'illegal' vendors protested and continued trading outside the EMM. On June 22, KZN Premier Zweli Mkhize formed a Provincial Task Team (PTT) headed by MEC (member of executive committee, a provincial minister) for Economic Development and Tourism Mike Mabuyakhulu to develop a solution to the EMM situation. The PTT recommended that legal trade continue until a final resolution was developed. On June 24, EMM traders refused to sign an agreement that would have granted them temporary trading rights at a new site and allowed for the destruction of the EMM. On July 3, city officials evicted all crate movers, upon whom EMM traders depend to move their goods in and out of the EMM. On July 10, a court order reinstated the crate movers.

#### Anti-Indian Sentiments Voiced

¶10. (SBU) On July 17, eThekweni municipal leaders held a public meeting attended by the Pol/Econ Assistant and at least 600 other people with the aim of allaying concerns about the WJD plan. Durban Mayor Obed Mlaba opened the meeting with an address in Zulu and accused 'certain business elements' of not wanting to give up control of the Warwick and of hiding behind the plight of poor vendors. Chairperson of eThekweni Business and Market Committee Faso Majola spoke after the mayor and said in Zulu that, 'Indians only want to protect their interests in the Warwick area and they don't want township people moving in.' Head of eThekweni Business Support and Markets Philip Sithole declared that, 'Let us take the food from the mouths of the Indians! Now is the time for Africans to be in power! We will remove them all and replace them with blacks!'

¶11. (SBU) The official translator for the public meeting arrived after Mlaba's speech, but he did not translate any subsequent negative comments about Indians. When members of the Indian community took to the podium, audience members attempted to drown them out with shouts and boos. 'Go back to Bombay!' shouted many audience members. Deputy Mayor and ANC stalwart Logie Naidoo, who is of Indian descent, was present for the event but claimed afterwards that he was not aware of any racially charged comments that were 'allegedly made.' Opposition to the WJD plan alleged that the eThekweni Municipality bused in hundreds of pro-WJD supporters and

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rewarded them with food afterwards. Pol/Econ Assistant noted that the audience members were not affected traders or consumers but rather people who lived in townships outside of Durban. When Pol/Econ Assistant asked a few of the attendees if they had any interest in the EMM, they said no and that they had just been summoned to a meeting.

¶12. (U) On July 24, the eThekweni Municipality filed an interdict to close down the EMM effective July 31, but EMM traders ignored the interdict citing their own pending court order. On August 12, Sutcliffe announced that the WJD mall would be redesigned to include a new EMM to house all legal and so-called 'illegal' traders. 'We will regulate all the so-called illegal traders. We will give [the new agreement] to all the illegal traders in writing that nobody will be unemployed or left out on the street. We have bent over backwards to accommodate everyone,' said Deputy Mayor Naidoo to local media.

#### Provincial Government More Conciliatory, Suggests Solution

¶13. (U) On August 27, MEC Mabuyakhulu announced at a public meeting attended by over 500 people that development negotiations between the eThekweni Municipality and all affected

parties must be reopened but settled by September 30, 2009. Specifically, MEC Mabuyakhulu recommended that: all 'illegal' vendors be given permits to trade; developers accommodate all vendors in their mall design; the EMM structure be incorporated into the design of the new mall; the practice of subleasing trading stalls within the EMM end; the appeal against AMAFA's refusal to allow destruction of the EMM be settled; the already-started environmental impact assessment be completed; and a memorandum of understanding between all affected parties be signed. More broadly, the MEC tasked his own department with finalizing a province-wide informal trade policy. Pol/Econ Officer and Pol/Econ Assistant noted that Mabuyakhulu was firm in his condemnation of the 'racial overtones' that has marked the WJD matter. 'The task team is extremely concerned about this as it is divisive, and we warn against any parties who racialize the debate,' Mabuyakhulu stated.

#### Comment

¶14. (SBU) The anti-Indian sentiments expressed by local ANC-appointed leaders and supporters during the July 17 public meeting stand in contrast to the multi-racial ideals of the ANC. The provincial level condemnation of such behavior, however, suggests that the party is keen to rein in such divisive forces. Nonetheless, at its core, the WJD is about the displacement of South Africans of Indian descent by black South Africans. The WJD plan is backed by the ANC, and it is simply a matter of time before the EMM is changed forever. Indians are increasingly becoming marginalized in Durban and their political influence has diminished over the years. The Indian vote does not appear to matter much to the ANC in the eThekweni region because of the KZN ANC's strong support for President Zuma, a son of the local soil. And those Indians who remain loyal to the ANC appear reconciled to this. No ANC member of Indian descent (with the exception of Fatima Meer, who is no longer active) has spoken out against the proposed WJD plan or any anti-Indian sentiments. DERDERIAN